

What is Your Free Credit Report Saying About You?

Today the credit world is driven by consumers' credit reports and credit scores. Everyone knows that the consumers with the best credit scores receive the most favorable financing terms. The enticing automobile commercials with the attractive financing terms of 0.00% for 60 months apply only to well qualified buyers, meaning everyone else is at the mercy of their credit score. Accurate credit reports are essential for today's consumers, so they can receive the best financing options available.

It is important for all consumers to understand how and what kind of debts are reported on a credit report. The information reported on your credit report will determine your credit score. The 3 major credit reporting agencies are Experian, TransUnion, and Equifax. Each of these agencies has helpful information on their websites to educate consumers on the issues surrounding their credit reports.

Each site also gives directions on how to handle disputes. When reviewing your credit report if you find a debt that is not yours or a debt being reported incorrectly, you will need to file a dispute with the credit reporting agencies (Experian, TransUnion, and Equifax). You will want to check that the problem is resolved with each of the credit reporting agencies. The credit reporting agencies are not responsible for correcting problems with other companies, because it is the responsibility of the credit company to fix the problem with all the agencies.

People usually want to know how long negative accounts stay on their credit report. All delinquent accounts are deleted from your credit report 7 years from the original delinquency date (the date the account first became delinquent and was never current again). Negative accounts can include: delinquent accounts, car repossessions, medical bill collection actions, foreclosures, settled accounts (resulting from a possible short sale, etc), charged off accounts, and collection accounts.

Positive accounts will stay on your credit report for 10 years. Positive accounts are reported longer for the benefit of the consumer.

Bankruptcy will appear on a credit report under the public records section of the credit report. This is the section where any lawsuits for collection of debt also appear. A chapter 7 bankruptcy will appear in the public records section for 10 years. A chapter 13 will appear in the public records section for 7 years. The accounts involved in the bankruptcy will be reported as "included in bankruptcy." The bankruptcy will not affect how long the accounts will stay on your credit report; the accounts will be removed from your credit report after 7 years from their delinquency date just like any other negative accounts.

It is very important for everyone to review their credit report on a regular basis. The 3 major credit reporting agencies allow consumers to view 1 credit report from their company each year. This means you can view your credit report 3 times per year for free! Go to www.annualcreditreport.com to review one of your free credit reports today to ensure the information creditors are reviewing is accurate.

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